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BEFORE THE ARIZONA CORPORATION COMMISSION

DOUG LITTLE
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
TOM FORESE
Commissioner
ANDY TOBIN
Commissioner

Arizona Corporation Commission

DOCKETED

APR 22 2016

DOCKETED BY

IN THE MATTER OF THE APPLICATION
OF UTILITY SOURCE, LLC, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN ITS
WATER AND WASTEWATER RATES
AND CHARGES FOR UTILITY SERVICES
BASED THEREON.

DOCKET NO. WS-04235A-13-0331

DECISION NO. 75517ORDER CORRECTING ERROR INDECISION NO. 75353NUNC PRO TUNC

Open Meeting
April 12 and 13, 2016
Phoenix, Arizona

BY THE COMMISSION:

* * * * *

Having considered the entire record herein and being fully advised in the premises, the
Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. On December 17, 2015 the Commission issued Decision No. 75353 that authorized the increase in Water and Wastewater rates for Utility Source, LLC.
2. The Settlement Agreement filed on November 5, 2015, that resulted in Decision No. 75353 inadvertently failed to include the Service Line and Meter Installation Charges and Service Charges proposed in the original Recommended Opinion and Order ("ROO") issued on August 24, 2015.
3. The Parties agree that the Service Line and Meter Installation Charges and Service charges should have been included in the settlement agreement with the attached schedules JLK W-21 page 3 of 3, and JLK WW-19.

CONCLUSIONS OF LAW

1. The Company is a public water service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-250 and 40-252.
2. The Commission has jurisdiction over the Company and the subject matter of the application.
3. Decision No. 75353 should be corrected, *Nunc Pro Tunc* to add Schedule JLK W-21 page 3 of 3, and Schedule JLK WW-19.

ORDER

IT IS THEREFORE ORDERED that Decision No. 75353 is hereby corrected *Nunc Pro Tunc* to add Schedule JLK W-21 page 3 of 3, and Schedule JLK WW-19 attached hereto.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

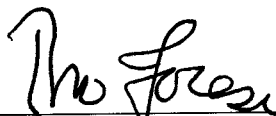
BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION



CHAIRMAN

EXCUSED
COMM. STUMP

COMMISSIONER



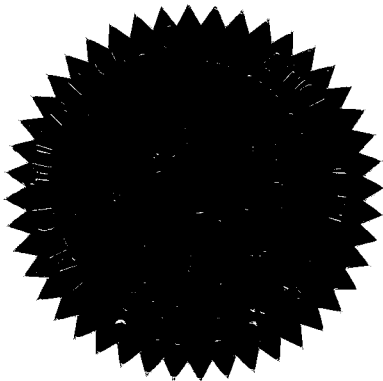
COMMISSIONER



COMMISSIONER



COMMISSIONER



IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 22nd day of April, 2016.


JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

1 SERVICE LIST FOR: UTILITY SOURCE, LLC.
2 DOCKET NO.: WS-04235A-13-0331

3 Steve Wene, Esq.
4 MOYES SELLERS & HENDRICKS, LTD
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6 Phoenix, Arizona 85004
7 Attorneys for Utility Source, LLC

8 Daniel Pozefsky, Chief Counsel
9 RESIDENTIAL UTILITY CONSUMER OFFICE
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11 Phoenix, Arizona 85007

12 Erik Nielsen
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14 P.O. Box 16020
15 Bellemont, Arizona 86015

16 Terry Fallon
17 4561 Bellemont Springs Drive
18 Bellemont, Arizona 86015

19 Mr. Dwight Nodes
20 Chief Administrative Law Judge, Hearing Division
21 Arizona Corporation Commission
22 1200 West Washington Street
23 Phoenix, AZ 85007

24 Mr. Thomas M. Broderick
25 Director, Utilities Division
26 Arizona Corporation Commission
27 1200 West Washington Street
28 Phoenix, Arizona 85007

Ms. Janice M. Alward
Chief Counsel, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Monthly Usage Charge	Present	Company Proposed Rates			Staff Recommended Rates		
Other Service Charges							
Establishment	\$ 20.00			\$ 20.00			\$ 30.00
Establishment (After Hours)	\$ 40.00			Removed			N/T
Reconnection (Delinquent)	\$ 50.00			\$ 50.00			\$ 50.00
Reconnection (Delinquent) - After Hours	\$ 40.00			Removed			N/T
Deposit	*			*			*
Deposit Interest	**			**			**
Reestablishment (within 12 months)	***			***			***
NSF Check	\$ 20.00			\$ 20.00			\$ 20.00
Late Payment Penalty (Per Month)	1.50%			1.50%			1.50%
Deferred Payment (Per Month)	1.50%			1.50%			1.50%
After Hours Service Calls - Per Hour	\$ 40.00			\$ 40.00			N/T
After Hours Service Charge	\$ 40.00			\$ 40.00			\$ 40.00
Moving Customer Meter (at customer request)	Cost			Cost			Cost
* Per Commission Rule A.A.C. R-14-2-603(B) ** Per Commission Rule A.A.C. R-14-2-603(B) *** Per Commission Rule A.A.C. R-14-2-603(D) - Months off the system times the monthly minimum.							
Service and Meter Installation Charges							
	Total Present Charge	Proposed Service Line	Proposed Meter	Total Proposed Charge	Recommended Service Line	Recommended Meter Installation	Total Recommended Charge
Service Size							
5/8 x 3/4 Inch	\$ 520	\$ 385	\$ 135	\$ 520	\$ 415	\$ 105	\$ 520
3/4 Inch	575	415	205	620	415	205	620
1 Inch	660	465	265	730	465	265	730
1 1/2 Inch	900	520	475	995	520	475	995
2 Inch Turbo	1,525	800	995	1,795	800	995	1,795
2 Inch Compound	2,320	800	1,840	2,640	800	1,840	2,640
3 Inch Turbo	2,275	1,015	1,620	2,635	1,015	1,620	2,635
3 Inch Compound	3,110	1,135	2,495	3,630	1,135	2,495	3,630
4 Inch Turbo	3,360	1,430	2,570	4,000	1,430	2,570	4,000
4 Inch Compound	4,475	1,610	3,545	5,155	1,610	3,545	5,155
6 Inch Turbo	6,035	2,150	4,925	7,075	2,150	4,925	7,075
6 Inch Compound	8,050	2,270	6,820	9,090	2,270	6,820	9,090
1 1/2 Inch	\$ 675.00	\$ 550.00	\$ 675.00	\$ 1,225.00	\$ 550.00	\$ 675.00	\$ 1,225.00
2 Inch Turbo	N/A	\$ 830.00	\$ 1,195.00	\$ 2,025.00	\$ 830.00	\$ 1,195.00	\$ 2,025.00
2 Inch Compound	\$ 1,660.00	\$ 830.00	\$ 2,040.00	\$ 2,870.00	\$ 830.00	\$ 2,040.00	\$ 2,870.00
3 Inch Turbo	N/A	\$ 1,045.00	\$ 1,820.00	\$ 2,865.00	\$ 1,045.00	\$ 1,820.00	\$ 2,865.00
3 Inch Compound	\$ 2,150.00	\$ 1,165.00	\$ 2,604.00	\$ 3,769.00	\$ 1,165.00	\$ 2,604.00	\$ 3,769.00
4 Inch Turbo	N/A	\$ 1,490.00	\$ 2,820.00	\$ 4,310.00	\$ 1,490.00	\$ 2,820.00	\$ 4,310.00
4 Inch Compound	\$ 3,135.00	\$ 1,670.00	\$ 3,795.00	\$ 5,465.00	\$ 1,670.00	\$ 3,795.00	\$ 5,465.00
6 Inch Turbo	N/A	\$ 2,210.00	\$ 5,175.00	\$ 7,385.00	\$ 2,210.00	\$ 5,175.00	\$ 7,385.00
6 Inch Compound	\$ 6,190.00	\$ 2,330.00	\$ 7,070.00	\$ 9,400.00	\$ 2,330.00	\$ 7,070.00	\$ 9,400.00

Monthly Usage Charge	Present	Company Proposed Rates	Staff Recommended Rates
<u>Meter Size (All Classes):</u>			
5/8 x 3/4 Inch	N/A	\$ 53.00	\$ 50.00
3/4 Inch	N/A	53.00	65.00
1 Inch	N/A	132.50	150.00
1 1/2 Inch	N/A	265.00	350.00
2 Inch	N/A	424.00	400.00
3 Inch	N/A	848.00	600.00
4 Inch	N/A	1,325.00	800.00
6 Inch	N/A	2,650.00	1,000.00
<u>Commodity Charge - Per 1,000 Gallons</u>			
Residential	\$ 5.84	\$ 5.31	\$0.00
Commercial and Industrial:			
Car washes, laundromats, Commercial, Manufact	5.71	5.20	11.61
Hotels, Motels	7.66	6.97	11.61
Restaurants	9.46	8.61	11.61
Industrial Laundries	8.39	7.63	11.61
Waste haulers	171.20	155.79	11.61
Restuarant Grease	149.80	136.32	11.61
Treatment Plant Sludge	171.20	155.79	11.61
Mud Sump Waste	535.00	486.85	11.61
Establishment	\$ 20.00	\$ 20.00	\$ 30.00
Establishment (After Hours)	\$ 40.00	\$ -	No Tariff
Reconnection (Delinquent)	\$ 50.00	\$ 50.00	\$ 50.00
Reconnection (Delinquent) - After Hours	\$ 40.00	\$ -	No Tariff
Deposit	*	*	*
Deposit Interest	**	**	**
Reestablishment (within 12 months)	***	***	***
NSF Check	\$ 20.00	\$ 20.00	\$ 20.00
Late Payment Penalty (Per Month)	1.50%	1.50%	1.50%
Deferred Payment (Per Month)	1.50%	1.50%	1.50%
Service Calls - Per Hour/After Hours(a)	\$ 40.00	\$ 40.00	No Tariff
After Hours Service Charge	\$ 40.00	\$ 40.00	\$ 40.00
<p>* Per Commission Rule A.A.C. R-14-2-603(B)</p> <p>** Per Commission Rule A.A.C. R-14-2-603(B)</p> <p>*** Per Commission Rule A.A.C. R-14-2-603(D) - Months off the system times the monthly minimum.</p>			

Service and Meter Installation Charges

Service Size	Total Present Charge	Proposed Service Line Charge	Proposed Meter Insallation Charge	Total Proposed Charge	Recommended Service Line Charge	Recommended Meter Insallation Charge	Total Recommended Charge
5/8 x 3/4 Inch	\$ 520	\$ 385	\$ 135	\$ 520	\$ 415	\$ 105	\$ 520.00
3/4 Inch	575	415	205	620	415	205	620
1 Inch	660	465	265	730	465	265	730
1 1/2 Inch	900	520	475	995	520	475	995
2 Inch Turbine	1,525	800	995	1,795	800	995	1,795
2 Inch Compound	2,320	800	1,840	2,640	800	1,840	2,640
3 Inch Turbine	2,275	1,015	1,620	2,635	1,015	1,620	2,635
3 Inch Compound	3,110	1,135	2,495	3,630	1,135	2,495	3,630
4 Inch Turbine	3,360	1,430	2,570	4,000	1,430	2,570	4,000
4 Inch Compound	4,475	1,610	3,545	5,155	1,610	3,545	5,155
6 Inch Turbine	6,035	2,150	4,925	7,075	2,150	4,925	7,075
6 Inch Compound	8,050	2,270	6,820	9,090	2,270	6,820	9,090

	<u>Rates</u>
<u>MONTHLY USAGE CHARGE:</u>	
(All Classes)	
5/8" x 3/4" Meter	\$27.30
3/4" Meter	27.30
1" Meter	68.25
1 1/2" Meter	136.50
2" Meter	218.40
3" Meter	436.80
4" Meter	682.50
6" Meter	1,365.00

COMMODITY CHARGE:
(per 1,000 gallons)
(all usage)

5/8" x 3/4" Meter – Residential	\$10.00
5/8" x 3/4" Meter – Non-residential	9.78
3/4" Meter – Residential	10.00
3/4" Meter – Non-residential	9.78
1" Meter – All Classes	9.78
1 1/2" Meter – All Classes	9.78
2" Meter – All Classes	9.78
3" Meter – All Classes	9.78
4" Meter – All Classes	9.78
6" Meter – All Classes	9.78

182. Under these authorized rates, the typical residential 3/4-inch bill with a median usage of 3,500 gallons would increase from \$20.44 to \$62.30, an increase of \$41.86, or 204.79 percent.

C. Miscellaneous Service and Installation Charges

183. Staff recommends adoption of its Service Line and Meter Installation Charges and Service Charges for the Water and Wastewater Divisions.¹⁴⁹ The parties did not object to Staff's recommended charges. We find that Staff's recommended charges are reasonable and approve the following Service Line and Meter Installation Charges and Service Charges:

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¹⁴⁹ Staff Final Sch. at JLKW-21 and JLKWW-19.

SERVICE LINE AND METER INSTALLATION CHARGES:

	<u>Service Line</u>	<u>Meter</u> <u>Installation</u>	<u>Total</u>
	<u>Charge</u>	<u>Charge</u>	
5/8" x 3/4" Meter	\$415	\$105	\$520
3/4" Meter	415	205	620
1" Meter	465	265	730
1 1/2" Meter	520	475	995
2" Meter/ Turbo	800	995	1,795
2" Meter/ Compound	800	1,840	2,640
3" Meter/ Turbo	1,015	1,620	2,635
3" Meter/ Compound	1,135	2,495	3,630
4" Meter/ Turbo	1,430	2,570	4,000
4" Meter/ Compound	1,610	3,545	5,155
6" Meter/ Turbo	2,150	4,925	7,075
6" Meter/ Compound	2,270	6,820	9,090

SERVICE CHARGES:

Establishment	\$20.00
Re-Establishment (Within 12 Months)	(a)
Reconnection (Delinquent)	\$50.00
Meter Test (If Correct)	\$20.00
Deposit	(b)
Deposit Interest	(b)
NSF Check	\$20.00
Late Payment Penalty (Per month)	1.50%
Deferred Payment (Per month)	1.50%
Meter Reread (If Correct)	\$10.00
After Hours Service Charge	\$40.00
Moving Meter at Customer Request	Cost

(a) Minimum charge times number of full months off the system per A.A.C. R14-2-403(D), R14-2-603(D).

(b) Per A.A.C. R14-2-403(B), R14-2-603(B).

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax per A.A.C. R14-2-409(D)(5), R14-2-608(D)(5).

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